

AR10

DIVIDEND NOTICE

A dividend of 15 cents on Common Shares was
declared May 28, 1973 payable July 31, 1973
to Shareholders of record July 6, 1973

INDUSTRIAL ADHESIVES LIMITED

INTERIM REPORT
TO SHAREHOLDERS



INDUSTRIAL ADHESIVES LIMITED

Head Office and Toronto Plant
90 Tyco's Drive, Toronto, Ontario

Montreal Plant

255 Labrosse Ave., Pointe Claire, P.Q.

FOR THE SIX MONTHS ENDED
APRIL 30, 1973

May 31, 1973

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (UNAUDITED)

	Six Months Ended April 30, 1973	April 30, 1972
Gross Operating Revenue	<u>\$2,013,734</u>	<u>\$1,720,310</u>
Profit before Income Taxes	<u>\$ 405,425</u>	<u>\$ 357,550</u>
Income Taxes	<u>186,500</u>	<u>178,775</u>
Net Profit	<u>\$ 218,925</u>	<u>\$ 178,775</u>
Common Shares Outstanding	<u>400,000</u>	<u>400,000</u>
Earnings per Common Share	54.7 cents	44.7 cents
Dividends paid per Common Share	35 cents	30 cents

In submitting your Company's financial results for the first half of the current fiscal year, we are proud to report another milestone in your Company's history. Sales for the first six months have passed the two million dollar mark, having increased 17.1% over the same period of last year. After taxes at 46% (calculated at the reduced rate on manufacturing and processing profits), earnings increased 22.5%.

Other indications of your Company's progress are an increase in working capital of \$149,437 over the twelve months ended April 30, 1973 and a further improvement in our current ratio which reached 3.23 to 1 compared with 3.19 to 1 a year ago.

Sales for the month of May are continuing to maintain the present percentage increase and your Company looks forward with confidence to another record year of achievements.

C. L. KALTHOFF,

President

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS (UNAUDITED)

	Six Months Ended April 30, 1973	April 30, 1972
Source of Funds		
Consolidated Net Profit	\$ 218,925	\$ 178,775
Add: Depreciation, a non-cash outlay	<u>30,963</u>	<u>28,342</u>
Total Source of Funds, provided from Operations	<u>\$ 249,888</u>	<u>\$ 207,117</u>
Application of Funds		
Net Additions to Fixed Assets	\$ 55,516	\$ 32,287
Purchase of Investments—Net	4,965	18,934
Dividends	<u>140,000</u>	<u>120,000</u>
Total Application of Funds	<u>\$ 200,481</u>	<u>\$ 171,221</u>
Increase (Decrease) in Working Capital	\$ 49,407	\$ 35,896
Working Capital at Beginning of Period	<u>889,728</u>	<u>753,802</u>
Working Capital at End of Period	<u>\$ 939,135</u>	<u>\$ 789,698</u>

(For dividend declaration see over)